

2025 Annual General Meeting Chair and Chief Executive Officer Addresses

Attached are copies of the addresses to be given by the Chair and the Chief Executive Officer at Adrad's Annual General Meeting today.

This announcement is authorised for release by the Board of Directors of Adrad Holdings Limited.

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Chair's Address

Good morning everyone and welcome to the 2025 Annual General Meeting of Adrad Holdings Limited (AHL). FY25 was a year that presented challenges for many businesses and although Adrad was able to deliver another year of top line revenue growth, increasing 9% over FY24, that growth did not fully translate to profit.

A combination of macroeconomic factors including inflationary pressures, freight charges and foreign exchange rates, coupled with higher expenses, restrained bottom line growth, albeit pro forma Net Profit After Tax (NPAT) increased 3% over FY24.

The Company continued to generate positive cash flow from operations, which facilitated the continued investment in plant and new equipment and provided the Board with the confidence to declare and pay a fully franked dividend equating to 50% of statutory NPAT.

As a Board we continue to work with and challenge the leadership group to grow the business and improve profit performance. Having invested in people, new facilities and additional plant over the past couple of years, we are now positioned to return the business more acceptable levels of profit growth.

As you are aware we recently restructured the Board and senior management, appointing Paul Proctor to replace outgoing CEO Kevin Boyle, who resigned to pursue other opportunities. The Board thanks Kevin for his time at Adrad and wishes him well in his future endeavours. Paul is an experienced manufacturing sector leader having led various businesses globally including as the former Managing Director of Seeley International. Paul brings a wealth of experience in operations and the execution of growth initiatives and has been tasked to drive operational and financial performance.

I would also like to take this opportunity to thank the invaluable contribution of our former Chairman, Glenn Davis, who has been instrumental in guiding the Company through the IPO and formulating a culture of excellence throughout his tenure as Chairman. Glenn is an outstanding professional, and the Company was fortunate to have the benefit of his experience and guidance. I would also like to express my sincere thanks to Darryl Abotomey who joined the Board post listing and who shortly thereafter agreed to act as interim CEO. Darryl's wealth of experience and knowledge of the business was invaluable in delivering a solid FY24 result as well as ushering in

organizational changes that have set the foundation for future growth. Thank you, Glenn and Darryl for your service to the Company, its employees and shareholders.

The Air Radiators business has increased new product development expenditure in response to requirements driven by the growth in the data centre heat solutions market. We are also continuing to expand our capabilities through by continuing to invest in our Thailand and Lara facilities in addition to the work already performed in the Gillman, SA facility.

In the Distribution business we have embarked on a path of branch expansion and refinement. We plan to increase branch numbers while exploring opportunities to extract better outcomes from our existing footprint while continuing to refine our existing product offering.

I will now pass over to Paul, who will elaborate on the operations of the business, however before I do, I would like to express my sincere thanks and appreciation to our dedicated employees, our supportive shareholders, our suppliers and partners.

Thank you for your continued support.

Chief Executive Officer/Managing Director Address

Thank you, Donald, for the introduction, and a warm welcome to all our shareholders and stakeholders joining us today for Adrad's 2025 Annual General Meeting.

I'll start with a brief run through of our FY25 results before turning to operational highlights and the look ahead.

- Revenue from continuing operations in FY25 of \$153 million was an increase of 9% on the prior year (FY24: \$141 million) which was driven largely by growth in the HTS data centre market.
- Pro forma EBITDA in FY25 was \$18 million (FY24: \$18 million).
- Pro forma Net Profit after Tax in FY25 of \$7 million was up 3% from prior year (FY24: \$7 million).
- Cash conversion remained high generating \$14 million operating cash flow at a conversion ratio of 79%.
- We continued to invest in enhancements to our Thailand facility positioning us for growth in the Southeast Asia market.
- And we delivered full year, fully franked dividends of 3.48 cents per share equating to 50% of statutory NPAT as a vote of confidence by the Board in the Company's ability to generate profits and cash from operations.

Operationally, investments were made within the HTS segment across sales and marketing through the addition of specialised resources focused on Asian markets and the introduction of new, innovative products positioning the Company to expand its market presence particularly in Southeast Asia.

Domestically the engineering team continues to work on the development of new products, with a particular focus on aluminium and datacentre cooling solutions.

In-field testing of our Alu Fin product range in collaboration with major global Original Equipment Manufacturers (OEMs) has reached key milestones in underground mining operations with the customer now reviewing adoption of these units into specific applications. Surface mining validation trials with a global OEM expected to commence in 2HFY26.

The Company's commitment to excellence was reflected in being awarded the Supplier Excellence Recognition award by Caterpillar for the second year in a row.

HTS continues to focus on achieving world class quality from all manufacturing facilities.

Within the Distribution business we improved market penetration which combined with a focus on share of wallet growth to existing customers drove top line revenue growth.

While this delivered the desired revenue outcome it added short-term cost and margin pressure. This pressure eased towards the end of the second half of FY25, which was aided by a new freight recovery policy.

Range expansion has been an ongoing strategy within Distribution. Importantly the segment was able to maintain stable inventory levels during the expansion through better ordering process and lead times. The focus on the collision repair segment was initiated late in the first half and started to gain traction towards the end of the second half of the financial year.

And following a review of operations the Company took the decision to exit the New Zealand market during FY25.

The Board and management are positive about the prospects for FY26.

As Doanld alluded to, we have restructured the Board and have initiated a series of reviews to enhance productivity and reduce costs. A series of actions have been implemented to ensure the Company continues to become more proactive in addressing sell price movements and purchase cost pressures.

Substantial work has taken place in identifying and implementing manufacturing process enhancements with the goal to drive out costs and reduce warranty expense. Expansion of our Distribution footprint in FY26 has commenced with multiple new locations identified.

In-field testing of above ground, below ground and on-highway alu-fin prototypes are expected to be substantially completed during FY26 with the aim of then commercialising these products.

The data centre market outlook remains robust with our power generation cooling product being a critical component. And we will continue our push into service work in rail and remote power generation.

The performance of the Company over Q1FY26 reaffirms the Board's belief that we will deliver on our shareholders expectations of underlying bottom line growth. This is backed by:

- strong orderbook
- data centre demand growing
- remote Powergen demand expected to increase
- growing order book in SE Asia
- strategic initiatives aimed at cost and efficiency improvements

This brings me to the end of the CEO presentation. I want to thank the Board for their invaluable support and guidance and of course our Adrad team without whom we cannot deliver. And lastly, each of you for your continued support and confidence in Adrad. Together, we will drive our company forward and deliver sustainable growth for our shareholders.

Thank you.